





Exhibits 1 through 11
complete set

OWNERSHIP MAP
OWENS PETROLEUM, INC.
SHELL-STATE NO. 1

-  - PROPOSED COMMUNITIZED UNIT
-  - PROPOSED LOCATION
-  - OWENS PETROLEUM, INC. ACREAGE
-  - TEXACO, INC. ACREAGE

LEASEHOLD OWNERSHIP
ABO FORMATION ONLY

OWENS PETROLEUM, INC. - 50.0000%
TEXACO, INC. - 50.0000%

TOTAL 100.0000%

PREPARED BY: MARK S. PARKER, CPL

BEFORE EXAMINER STOGNER
 Oil Conservation Division
 Owens Exhibit No. 1
 Case No. 10300

CHRONOLOGY & DESCRIPTION OF
TELEPHONE CONVERSATIONS BETWEEN
KENNETH R. OWENS OF OWENS PETROLEUM, INC.
& MR. RON LANNING, LANDMAN, OF TEXACO, INC.

3/26/91 - When asked if Texaco would sell or farmout the subject acreage, Ron Lanning states that Texaco would not sell the acreage but would contribute its acreage to a communitized proration unit & would indeed join in the drilling of a well at the proposed location (NE/4 SE/4 Sec. 18, T-17-S, R-35-E, NMPM, Lea County, N.M.) & asked that I make a written request thereof & send Texaco a copy of an AFE. He stated that a copy of an operating agreement was not necessary at that time because Texaco would want to draft their own copy at a later date anyway. See letter dated 4/3/91 from Owens (OPI) to Texaco.

4/4/91 - Ron Lanning states that Texaco would route proposal thru geology & engineering depts. in Midland, & it would come back to Denver for land & final mgt. approval. He states that Texaco can't find the files on the subject acreage & that the process will take "some time".

4/17/91 - Ron Lanning states that the proposal is still in Geology Dept. in Midland for review, Texaco still can't find its files, & that due to budgetary constraints in the Permian Basin District, Texaco would now probably just farmout to the proposed comm. proration unit. He says that if I don't hear from him within 2 weeks, I should send a copy of the comm. agreement & another letter to Texaco requesting that they either join or farmout or that I will force pool their acreage. See letter dated 5/6/91. With this letter I send copy of communitization agreement, another copy of AFE, & copy of model operating agreement.

5/20/91 - When called, Ron Lanning states that he really still knows nothing, Texaco still can't find its files, & he will contact me as soon as he knows something. He also states that "we may just do nothing & let you force pool us."

6/18/91 - After my unsuccessful attempt to contact Rick Highsmith of Texaco's Geology Dept. in Midland, Ron Lanning calls & tells me that "those guys don't talk to anybody, only the Land Dept. talks to people." He goes on to say that "at this point we're leaning toward (saying) No." When asked to clarify what this meant, he stated: "We're leaning toward doing nothing, so you do what you have to do." I took this to mean that I should force pool Texaco if necessary.

Jan/Feb 1990

BEFORE CLARENCE STOGNER
Oil Conservation Division
OWENS Exhibit No. <u>2</u>
Case No. <u>10350</u>



OWENS PETROLEUM, INC.

P.O. BOX 2911
MIDLAND, TEXAS 79702
915/683-4627



FAX & MAIL

April 3, 1991

Texaco Exploration & Production Inc.
P.O. Box 2100
Denver, Colorado 80201
Attn: Ron Lanning

Re: Proposed Communitization of E/2 SE/4 of Section 18,
T-17-S, R-35-E, NMPM, North Vacuum Abo Field,
Lea County, New Mexico

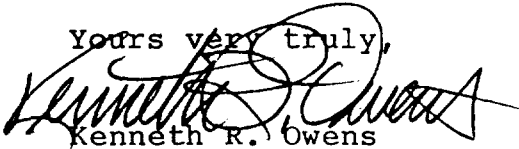
Dear Mr. Lanning:

Pursuant to our recent telephone conversation, I hereby formally request that Texaco contribute its interest in the SE/4 SE/4 of Section 18, T-17-S, R-35-E, to the formation of the referenced communitized 80 acre proration unit, and join me in the drilling of an Abo test to an approximate depth of 9000' in the NE/4 SE/4 of Section 18. I have entered into a farmout agreement with Shell Western E&P Inc. covering this tract, and propose to contribute it to the referenced unit.

Texaco would participate as to its 50% working interest subject to a mutually acceptable joint operating agreement. Enclosed is a copy of an AFE for your review and approval. I am currently drawing up a Communitization Agreement and will submit it for your approval upon completion.

Thank you for your time and consideration. If you have any questions, please call me or contact me at FAX (915) 683-1715.

Yours very truly,


Kenneth R. Owens

BEFORE ENGINEER STOCNER
Oil Conservation Division
OWENS Exhibit No. <u>3</u>
Case No. <u>10350</u>

AUTHORITY FOR EXPENDITURE

DATE 3/30/91

AFE NO. _____ LEASE NAME Shell State WELL NO. 1
 DESCRIPTION 1980' FSL & 660' FEL, Sec. 18, T-17-S, R-35-E COUNTY Lea
 STATE New Mexico AREA Vacuum OPERATOR Ken Owens / Owens Pet.
 PROJECT _____ PREPARED BY Steve Becker *Consultant*
 EXPLORATION DEVELOPMENT RESULTS: OIL GAS DRY T.D. _____ DATE _____

DRILLING INTANGIBLES:	DRY HOLE WITHOUT PIPE	COMPLETED WELL	ACTUAL COST	OVER (UNDER)
LOCATION, ROADS, PITS, DAMAGES	\$ 10,000.00	\$ 10,000.00		
FOOTAGE <u>9,000</u> FT. @ <u>18.25</u> /FT.	164,250.00	164,250.00		
DAY WORK <u>2</u> DAYS WDP @ <u>\$4,600.00</u> /DAY	9,200.00	9,200.00		
_____ DAYS WDP @ \$ _____ /DAY				
CEMENT AND CEMENTING	12,000.00	12,000.00		
TESTING AND CORING	-0-	-0-		
LOGGING	10,000.00	10,000.00		
PROFESSIONAL SERVICES (LEGAL, ENGINEERING, GEOLOGICAL, SURVEY)	8,000.00	8,000.00		
MUD MATERIALS, FUEL, WATER	20,000.00	21,000.00		
BITS, COREHEADS AND RENTALS	1,000.00	1,000.00		
MISCELLANEOUS SERVICES (INC. MARINE, RIGGING, WELDING ETC.)	500.00	500.00		
MISCELLANEOUS (INC. LABOR & TRANSPORTATION & BLOWOUT INS.)	500.00	500.00		
CONTINGENCY - <u>5%</u>	11,810.00	11,860.00		
ADMINISTRATIVE, GENERAL EXPENSE	1,500.00	1,500.00		
TOTAL DRILLING	249,510.00	250,560.00		
COMPLETION INTANGIBLES:				
COMPLETION UNIT <u>4</u> DAYS/MRS. @ \$ <u>1,500.00/day</u>		\$ 6,000.00		
CEMENT AND CEMENTING		8,000.00		
PERFORATING AND LOGGING <u>4" gun 40 inter/2' select fire</u>		4,500.00		
FRAC AND/OR ACID TREATMENT		15,000.00		
FUEL, WATER, POWER		1,000.00		
BATTERY CONSTRUCTION - DIRT WORK, ETC.		4,000.00		
COMPLETION TOOLS AND EQUIPMENT - RENTALS		2,000.00		
PROFESSIONAL SERVICES (LEGAL, ENGINEER., GEOLOGY, ETC.)		2,000.00		
MISCELLANEOUS SERVICES (INC. MARINE, WELDING, BACK FILL ETC.)		500.00		
OTHER (INCLUDING LABOR & TRANSPORTATION)		500.00		
CONTINGENCY - <u>5%</u>		2,175.00		
TOTAL COMPLETION		45,675.00		
TOTAL INTANGIBLES	249,510.00	\$ 296,235.00		
DRILLING AND COMPLETION TANGIBLES				
CASING <u>400</u> FT. <u>13 3/8"-48#</u> @ \$ <u>21.50</u> /FT.	8,600.00	\$ 8,600.00		
<u>5,000</u> FT. <u>8 5/8"-32#</u> @ \$ <u>11.70</u> /FT.	58,500.00	58,500.00		
<u>9,000</u> FT. <u>5 1/2"-15.5, 17</u> @ \$ <u>5.49/6.02</u> /FT.		50,470.00		
TUBING <u>8,800</u> FT. <u>2 3/8" Yellow</u> @ \$ <u>1.35</u> /FT.		11,880.00		
WELLHEAD EQUIPMENT <u>Downing Well Head, reconditioned</u>	3,000.00	3,000.00		
FLOATING EQUIPMENT, CENTRALIZERS, SCRATCHERS		2,000.00		
RODS <u>8,800</u> FT. @ \$ <u>.95</u> /FT.		8,360.00		
SUBSURFACES EQUIPMENT - BH PUMP, ETC.		2,500.00		
LINE PIPE _____ FT. @ \$ _____ /FT.		1,000.00		
TANKS, TREATERS, SEPARATORS, LINERS, WALKS, ETC.		20,000.00		
GAS PROCESSING UNIT				
MARINE - BARGES, PLATFORMS, ETC.				
PUMPING UNIT AND ENGINE		25,000.00		
OTHER MISCELLANEOUS EQUIPMENT (FENCES, CULVERT, TOOLS, ETC.)		1,000.00		
CONTINGENCY - <u>5%</u>	3,505.00	9,615.00		
TOTAL EQUIPMENT COST	73,605.00	201,925.00		
TOTAL WELL COST	\$ 323,115.00	\$ 525,040.00		
LEASES _____ ACRES @ _____ PER ACRE				
TOTAL WELL AND LEASE COST				

APPROVALS:
 OPERATOR _____ BY _____
 COMPANY _____ BY _____
 COMPANY _____ BY _____

BEFORE EXAMINER STOGNER
 Oil Conservation Division
Owens Exhibit No. 4
 Case No. 10350
 WI _____ % DATE _____



OWENS PETROLEUM, INC.

P.O. BOX 2911
MIDLAND, TEXAS 79702
915/683-4627



May 6, 1991

Texaco Exploration & Production Inc.
P.O. Box 2100
Denver, Colorado 80201
Attn: Ron Lanning

Re: Proposed Communitization of E/2 SE/4 of Section 18,
T-17-S, R-35-E, NMPM, North Vacuum Abo Field,
Lea County, New Mexico

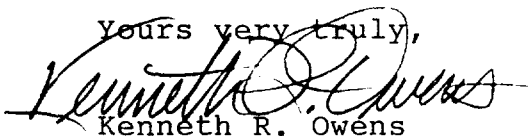
Dear Mr. Lanning:

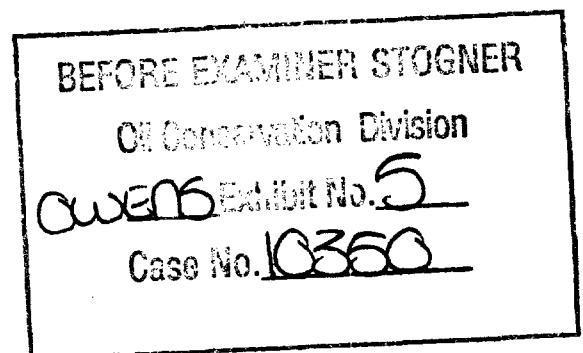
Pursuant to our telephone conversations and my letter dated 4/3/91, I hereby formally request that Texaco contribute its interest in the SE/4 SE/4 of Section 18, T-17-S, R-35-E, to the formation of the referenced communitized 80 acre proration unit, and join me in the drilling of an Abo test to an approximate depth of 9000' in the NE/4 SE/4 of Section 18, or farmout to the proposed unit thereof.

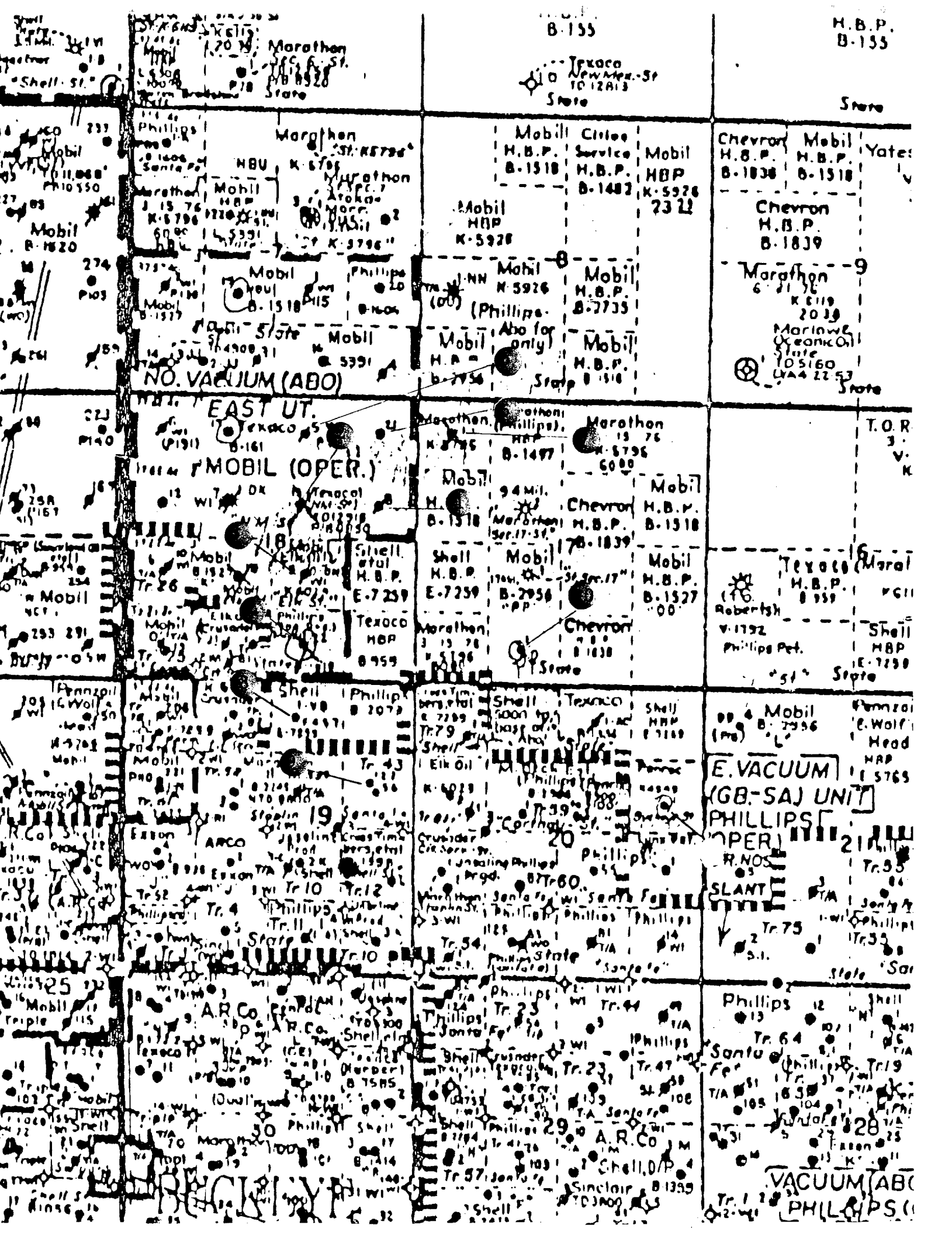
I have entered into a farmout agreement with Shell Western E&P Inc. covering this tract, and have obtained written approval from Shell to contribute this acreage to the proposed unit. Texaco would participate as to its 50% working interest subject to a mutually acceptable joint operating agreement. My current plans are to force pool the referenced acreage, should Texaco elect not to participate, in order to abide by the field rules for the North Vacuum Abo Pool.

Thank you for your time and consideration. If you have any questions, please call me or contact me at FAX (915) 683-1715.

Yours very truly,


Kenneth R. Owens





B-155

H.B.P.
B-155

Texaco
New Mex. - St
TO 12813
State

State

Mobil Citee
H.B.P. B-1518
Service H.B.P. B-1482
Mobil HBP K-5928
23 22

Chevron Mobil Yates
H.B.P. H.B.P.
B-1838 B-1518

Mobil
HBP
K-5928

Chevron
H.B.P.
B-1839

Mobil
H.B.P. B-7735
(Phillips
Abo for
only)

Marathon
K 619
2039

Mobil
H.B.P. B-1518
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NO. VACUUM (ABO)

EAST UT.

Marathon
HBP
K-5795
B-1497

Marathon
H.B.P.
K-5796
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MOBIL (OPER.)

Mobil
H.B.P. B-1518

94 Mil.
Marathon
H.B.P. B-1839

Mobil
H.B.P.
B-1518

Shell
H.B.P.
E-7259

Mobil
H.B.P. B-2958

Mobil
H.B.P.
B-1527

Texaco
H.B.P. B-959
Robertsh
V-1792
Phillips Pet.
Shell
HBP
E-7259
State

Marathon
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K-5796

Chevron
H.B.P.
B-1838

Mobil
H.B.P. B-2956
E. Vacuum
(GB-SA) UNIT
PHILLIPS
(OPER.)
R.NOS
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State

Shell
H.B.P. B-7299

Texaco
H.B.P. B-7160

Shell
HBP
B-7160

Shell
H.B.P. B-6028

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Tr. 88
Tr. 90
Tr. 92
Tr. 94
Tr. 96
Tr. 98
Tr. 100
VACUUM (ABC)
PHILLIPS

VACUUM ABO NORTH PROSPECT

PRODUCTION DATA

THROUGH 12/90*

down ok

1. Mobil #8 N. Vac. Abo E.U.
1st prod. 8/72 last prod. 4/79
~~converted to WIW~~
Cum. 66,949 BO 17.0 MMCF
2. Mobil #15 N. Vac. Abo E.U.
1st prod. 2/86
Cum. 56,287 BO 20.4 MMCF
13,161 BO in 1990 (37 BOPD)
3. Mobil #9 N. Vac. Abo E.U.
1st prod. 1/73 last prod. 1/86 converted to WIW
Cum. 68,135 BO 74.1 MMCF
4. Mobil #22 N. Vac. Abo E.U.
1st prod. 3/86
Cum. 31,278 BO 13.9 MMCF
5582 in 1990 (16 BOPD)
5. Mobil #21 N. Vac. Abo E.U.
1st prod. 3/86
Cum. 78,528 BO 33.1 MMCF
15,697 BO in 1990 (44 BOPD)
6. Mobil #5 N. Vac. Abo E.U.
1st prod. 3/72 last prod. 3/86 converted to WIW
Cum. 134,488 BO 97.2 MMCF
7. Marathon Sec. 17 State Comm. #1
1st prod. 4/80
Cum. 37,559 BO 17.5 MMCF
3263 BO in 1990 (9 BOPD)
8. Shell #1 VB Comm.
1st prod. 3/72
Cum. 115,070 BO 183.5 MMCF
2183 BO in 1990 (6 BOPD)
9. Phillips #122 Santa Fe
1st prod. 5/72
Cum. 107,633 BO 155.8 MMCF
2695 BO in 1990 (8 BOPD) no prod. in 7/90
10. Mobil #1 State PP
1st prod. 5/73
Cum. 53,671 BO 57.7 MMCF
2416 BO in 1990 (7 BOPD)

* Source - Dwight's Energy Data

Compiled by Kenneth R. Owens, Owens Petroleum, Inc.

BEFORE EXAMINER STOGNER
Oil Conservation Division
Owens Exhibit No. 7
Case No. 10350

TOTAL CUMULATIVE PRODUCTION
THROUGH 12/90

OFFSETTING PROPOSED COMMUNITIZED
PRORATION UNIT

OWENS PETROLEUM, INC.
VACUUM ABO NORTH PROSPECT

Within 1 drilling location of proposed unit acreage:
337,719 BO & 366.6 MMCF

Within 2 legal drilling locations of proposed unit acreage:
749,598 BO & 670.2 MMCF

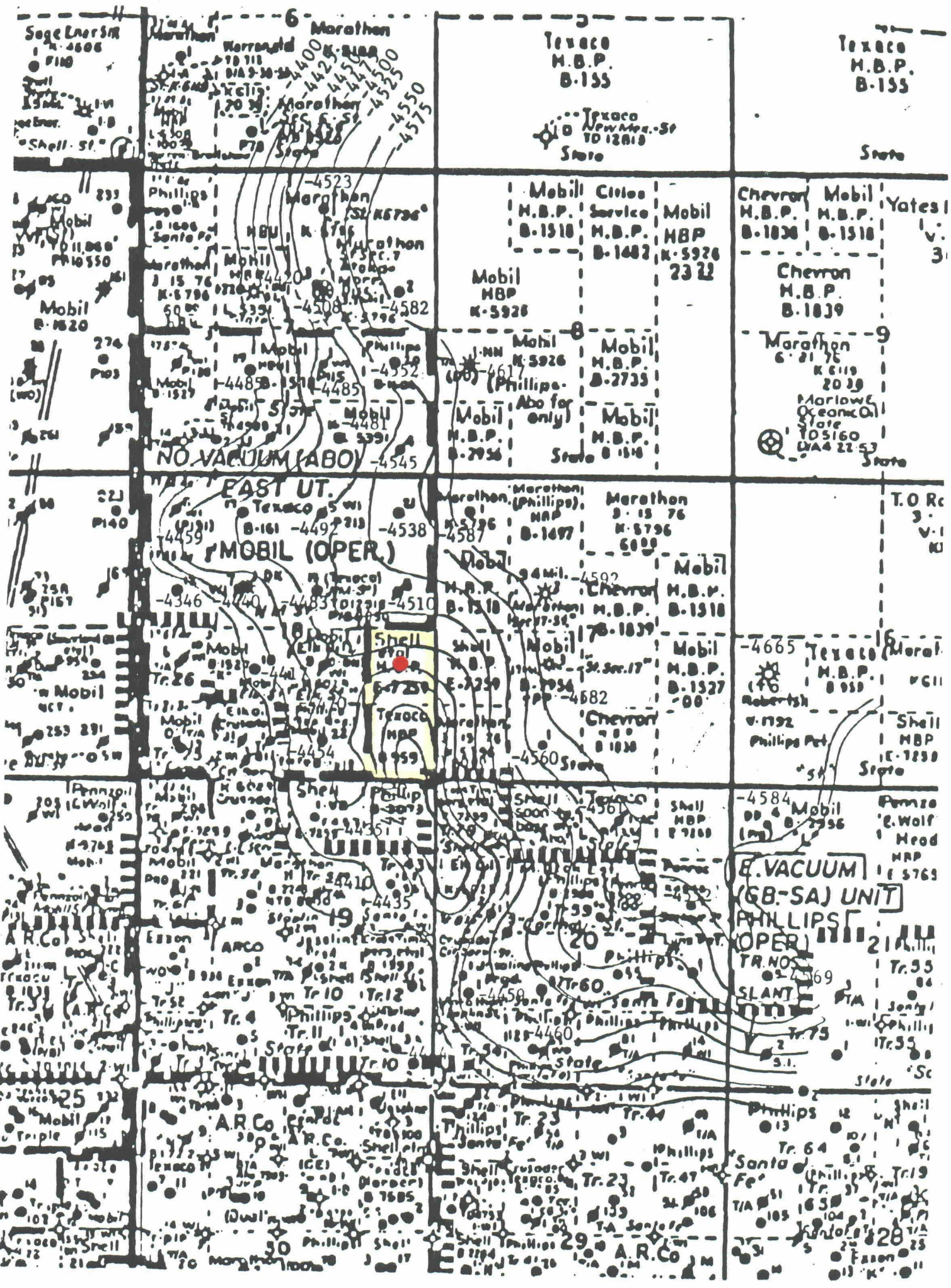
Source: Dwight's Energy Data
Compiled by Kenneth R. Owens, Owens Petroleum, Inc.

BEFORE ENGINEER STOGNER

Oil Conservation Division

OWENS Exhibit No. 8

Case No. 10360



VACUUM ABO NORTH PROSPECT

LEA COUNTY, NEW MEXICO

STRUCTURE T/ABO MARKER

BEFORE EXAMINER STOGNER

Oil Conservation Division

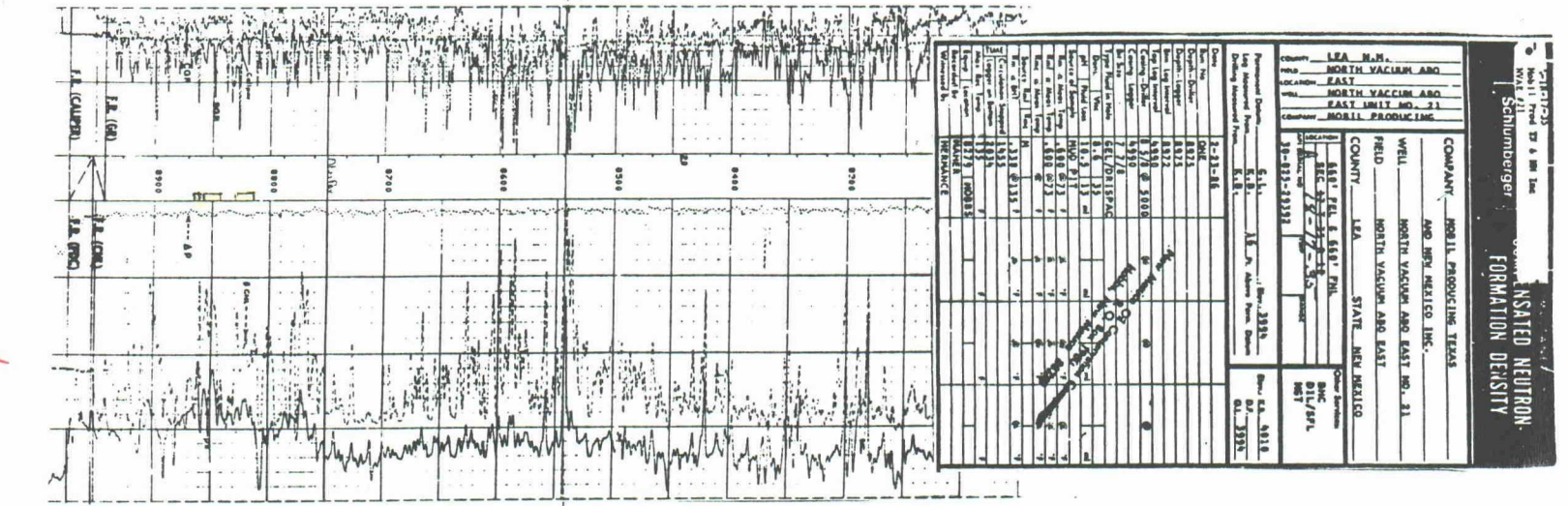
Owens Exhibit No. 9

C.L. : 25'

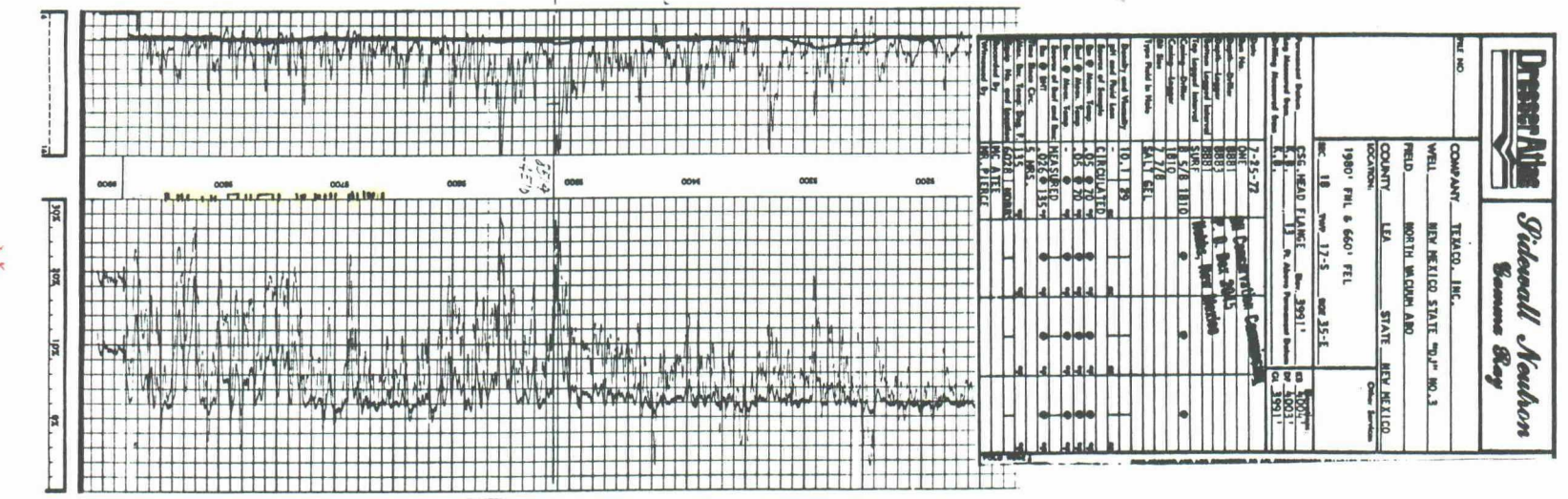
Case No. 10360

VACUUM ABO NORTH PROSPECT

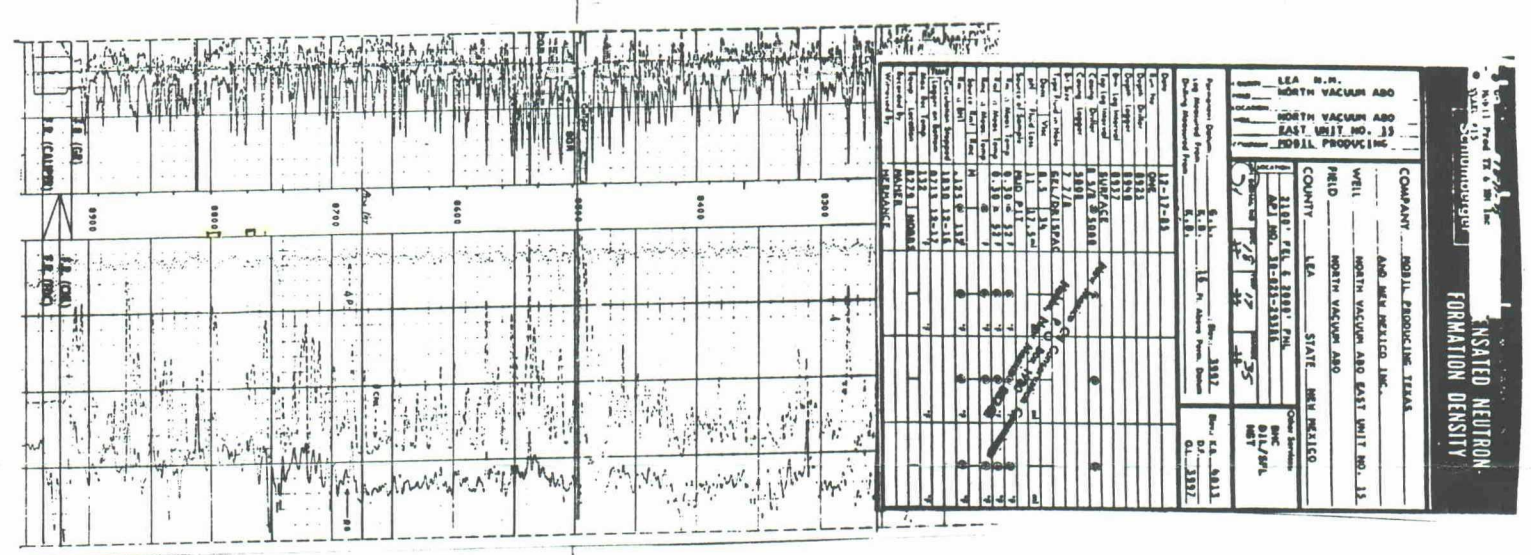
STRATIGRAPHIC CROSS-SECTION



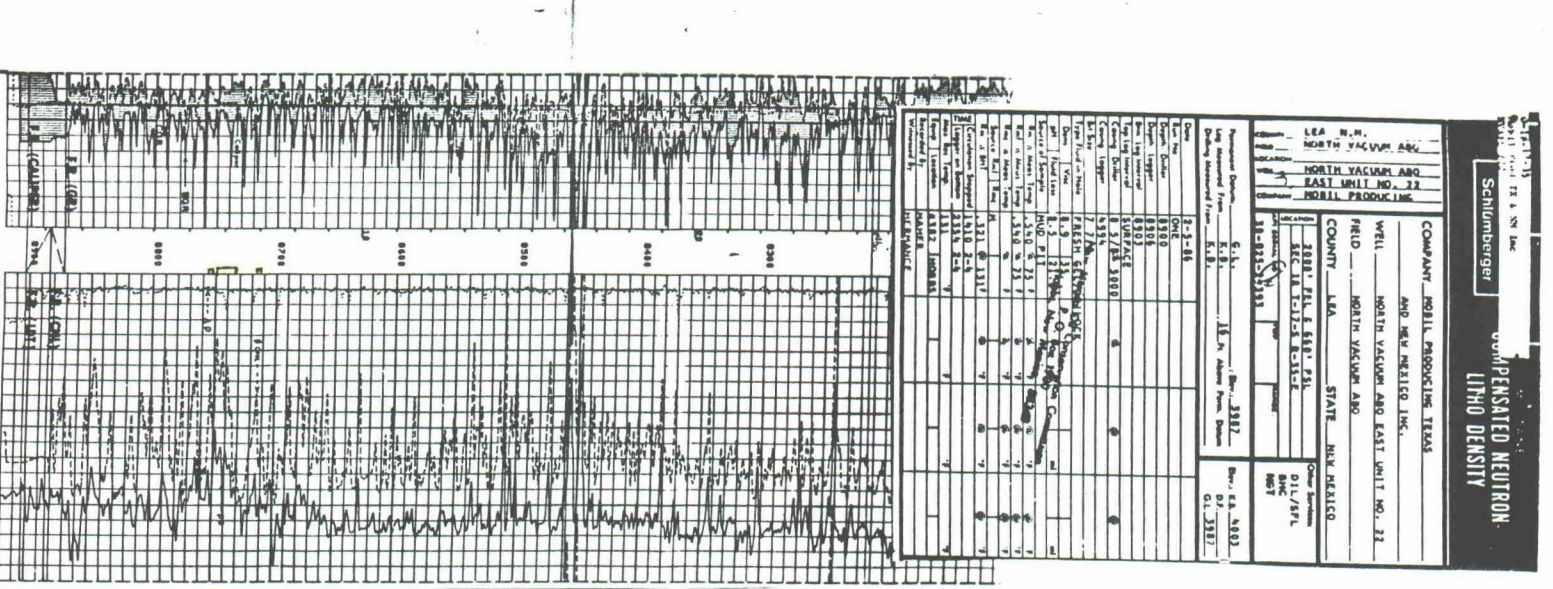
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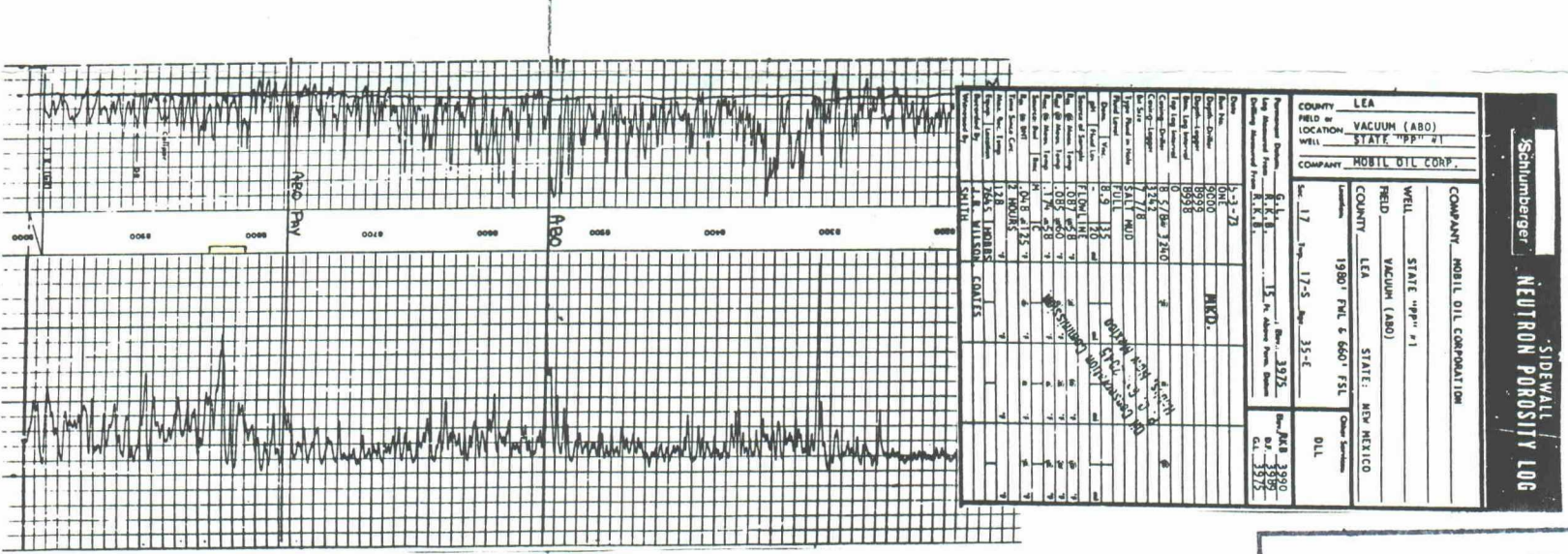
#6



#7



#8



#9

ABO MARKER

BEFORE EXAMINER STOGNER
Oil Conservation Division
OWENS Exhibit No. 10
Case No. 10350

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

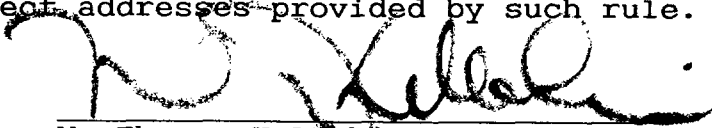
APPLICATION FOR OWENS PETROLEUM, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of OWENS PETROLEUM, INC., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on July 1, 1991, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for July 25, 1991, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 23rd day of July,
1991


Notary Public

My Commission Expires:

September 10, 1994

BEFORE EXAMINER STOGNER Oil Conservation Division OWENS Exhibit No. <u>1</u> Case No. <u>10350</u>

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Texaco, Inc. Post Office Box 2100 Denver, CO 80201 Owens Comp. Pool KA	4. Article Number P 6761dxc 463 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 5/16/91	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501 Owens Comp. Pool KA	4. Article Number P 6761dxc 461 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 **DOMESTIC RETURN RECEIPT**

